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Institution of IPR Supports No Willful Infringement

By Patrick T. Muffo

An invalid patent cannot be infringed. Regardless, the Supreme Court recently held a good faith belief in the invalidity of a patent does not negate a finding of induced infringement. But what about willfulness – can a good faith belief in the invalidity of a patent negate a finding of willful infringement?

The district court in *XY, LLC v. Trans Ova Genetics, LC*, 1-13-cv-00876 (COD April 8, 2016) recently held that a good faith invalidity defense negated a jury's finding of willful infringement. The court went a step further and held that the good faith belief was bolstered by the fact that the PTAB instituted an *inter partes* review for two of the ten patents at issue in the litigation: "This finding is further supported by the proceedings brought with respect to the '920 and '425 patents before the Patent Trial and Appeal Board, which resulted in a finding of invalidity as to the '920 patent, and a hearing as to the possible invalidity of the '425 patent."

Even more interesting is that the PTAB proceedings were not before the jury: "While this evidence was not before the jury, it bolsters the Court's present finding that Trans Ova's invalidity defenses met the minimal standard of objective reasonableness, at least as to some of XY's patents."

Of course, the fact that eight of the ten patents were never part of an IPR does not help Trans Ova's invalidity positions. But the Court appeared to have decided long before the JMOL motion that Trans Ova's invalidity defenses were sound, even if they were not ultimately persuasive to the jury:

> At trial, Trans Ova presented evidence of invalidity due to obviousness as to all ten of the patents-in-suit, as well as anticipation evidence as to six of the ten patents. The Court denied XY's mid-trial Rule 50(a) Motion as to the majority of Trans Ova's invalidity defenses, granting it only as to the anticipation of two of the patents. In so ruling, the Court found that Trans Ova had presented sufficient evidence for a reasonable jury to find in its favor on its claim that each of the patents-in-suit was invalid as obvious.

Takeaways

This case is somewhat complex with so many patents, some of them being part of IPR proceedings, and other licensing issues not discussed in this post. Regardless, the court issued a relatively straight forward finding that the institution of an IPR can be probative of no willful infringement. After all, if the PTAB finds there is a "reasonable likelihood" that the claims are invalid, can a plaintiff really claim the invalidity defense was "objectively unreasonable"?

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